

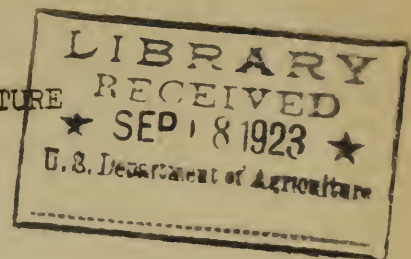
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UNITED STATES DEPARTMENT OF AGRICULTURE

Bureau of Agricultural Economics



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CONDITION OF THE ALMOND CROP  
IN ITALY AND SICILY

BY

EDWARD A. FOLEY  
Agricultural Commissioner  
London, England

August 1923.

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A PRELIMINARY REPORT

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Edited in Division of Statistical  
and Historical Research  
Washington, D. C.

September 1923.

THE HISTORY OF THE

REIGN OF

CHARLES THE FIRST

BY

JOHN

WILKINS

OF THE MIDDLE TEMPLE

ESQ.

IN TWO VOLUMES.

LONDON,

PRINTED

BY

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ALMOND CROP OF BARI, ITALY.  
SHORT BUT HIGH GRADE.-LARGE CARRYOVER, LOW PRICES.

Indications are that the Bari almond crop for 1923 will be short but of very high grade. The maturing crop will yield between 22,046,000 and 27,557,000 pounds of nuts in the shell, which is about one-half of the normal crop for this district. In 1922 the crop was about 83,000,000 pounds. The large proprietors have carried over a part of the 1922 crop estimated at about 44,092,000 pounds, which makes the estimated total available supply in this district between 66,000,000 and 72,000,000 pounds, or about fifty per cent larger than the ordinary normal crop.

The carryover is chiefly in the hands of the large proprietors. They are financially independent, able to carry their crops over from one year to the next, and they have found it advantageous to do so because of low prices and because of the opportunity to gain by fluctuations in exchange. The small producer cannot hold his crop as he lives from hand to mouth and must sell his crop for cash as soon as possible. There is no system of stores giving credit for merchandise and collecting when the crop is marketed.

Prices have been unfavorable partly because America has not been in the market since the new tariff went into effect, raising the duty on imported almonds from four to fourteen cents per pound. The Italians do not consider that it is the duty itself that is keeping the buyers from this country out of their market. Buyers in this country, it is estimated, bought between 11,000,000 and 13,500,000 pounds of almonds in the Bari district and imported them into the United States before the increased duty became effective. When this stock is used up, the buyers from this country



will again come into the market for Bari almonds. Until this time the demand must come largely from England, Holland and the Scandinavian countries. These countries have been buying right along in 10 and 20 bale lots but the demand from these sources has not been sufficient to take more than the crops of the small proprietors, who were forced to sell because of financial necessity. Thus it is evident that the Bari market is largely influenced by the purchases of the American buyers.

Another factor that has induced the large proprietor to hold his almonds from the market is the fluctuation in the exchange. Sales are made in the United States for dollars or in England for pounds. When the lire depreciates rapidly, as it has in the recent past, the proprietor finds that he is getting more lires for the same quantity of almonds than he would otherwise receive. This only encourages him to hold his crops and sell them at a time when he can get the largest number of lires for them.

The time has about come, however, when it will be impossible for the grower to hold his almonds longer because of the loss by deterioration, and because of the cost involved in financing such speculation. The new crop will soon come on the market and this will add to the available supply that must be marketed, for the smaller growers must sell at once to meet their need for ready cash.

A light crop is expected in other parts of the Italian mainland, but there is every reason to expect that there will be a good to heavy crop in the Balearic Islands. The Balearic crop is similar in quality to that of the Bari district, and is used for the same purpose, so that no shortage is looked for in other countries in this grade of almond. The

Spanish crop, which is of a higher grade and is used for really different purposes, gives promise of being average. There is no definite information as to the carryover in these places, so predictions as to the total available supply are impossible.

Present quotations on the old and new almond crops show the effect of these crop conditions. Prices for future delivery are quoted at 750 lire for the new crop and 800 lire for the old. At exchange rates as quoted by the Federal Reserve Board for July the prices are \$33.08 for the new crop and \$35.28 for the old.

The latest prices at Bari per cwt., c.i.f. New York are as follows:

Almonds-Old Crop

Ia Bari ordinary	\$ 19.12
do. clean	20.27
Andria ordinary	19.81
do. clean	20.73
Petites triees	21.88
Best Bitters	12.67

Almonds-New Crop

Ia Bari ordinary	\$ 20.27
do. clean	21.42
Andria ordinary	20.96
do. clean	21.88
Petites triees	22.03
Best Bitters	13.82

Notes on Bari answering questionnaires of almond growers.

A statistician of a private firm estimates world production for export, irrespective of home consumption, as follows. An average all round crop:

Apulia .....	175,000	bales
Sicily .....	180,000	"
Spain & Portugal .....	80,000	"
Africa .....	45,000	"
France .....	20,000	"
Mediterranean, Greece, Per.&c..	50,000	"

The lowest Bari or Apulian crop was in 1912 when the crop was 50,000 bales, the largest in history 1922-23 crop is estimated at over 400,000 bales.

A complete crop failure has occurred only four times in the past thirty years when very heavy frosts killed the entire production in a single night. These heavy frosts come in March or April. The crops are generally safe after April 1st, though the worst frost ever encountered in the district some thirty years ago occurred on April 30th. Heavy cold fogs that cause the almonds to fall from the tree may occur up to May 10th or 15th.

No definite information is available as to the number of new almond trees planted from year to year. It is, however, estimated that the almond plantings have increased about 33% in the past ten years. As the trees die they are replaced by other almond trees, or by olive trees, depending upon the prices commanded by the fruits. The trees are planted indiscriminately in most cases, olive and almond trees appearing side by side in



the same grove. Thus there is no method of obtaining information as to the number of trees, and it is impossible to predict future growth of the industry.

An almond tree becomes profitable in five years' time. After three years it produces a handful of nuts, and in five years it makes a paying return. With an average crop from an average tree one should get from 11 to 45 pounds of shelled almonds according to the care taken of the tree.

The almond trees in this section are generally rather small because of the soil conditions. The soil is very shallow running in most cases from one foot to three feet in depth. Under this humus is the limestone or chalk formation. The small roots take water from the calcarean mass, which retains water for a long time. In some places the humus is thicker and the trees are then further from their water supply. The shallow soil is considered preferable. In some places in this district the trees can stand a ten months' lack of rain without injury.

The trees in this district are placed thirty-two feet apart. Almonds require much ventilation and if the trees are too close together humidity damages the trees.

There is practically no local consumption of almonds save the few that are eaten green.

#### Cost of Production is Low

Very little fertilizer is used in almond cultivation in this section as it is generally considered that only fruits and cereals should be fertilized. Although the rental contracts for agricultural lands call for a definite amount of fertilization, no attention is paid to this provision, as the owner is always at Naples and does not bother the tenant as long as

he gets his rent. The labor used in the production of the crops is cheap as the farmer and his family, both male and female members, attend to the cultivation and are usually satisfied with a bare living. The wants of these people are simple, their standard of living is low, and they are satisfied with very low prices. The "breakers" who buy and shell the almonds for the market employ but little labor outside of their own families and what little outside labor is employed can be hired at prices ranging from 16 to 20 cents per day at the present rate of exchange.

These factors, together with the fact that the small grower is usually forced to sell his crops as they mature, do much to reduce the cost of the Bari almond and allow the grower and "breaker" to sell at very low prices.

# PRELIMINARY REPORT ON THE ALMOND CROP OF SICILY.

The almond crop of Sicily will be somewhat less than one-half the normal, due to frosts in the early spring. Estimates place the present crop at 75,000 to 85,000 bales, of a very good quality.

The Avolas at Syracuse, the best of the Sicilian crop, usually yield 60,000 bales but will be short 20,000 bales, with no carryover from last year. In the Aetnas and Palma Girgentis the damage is greater, the crop being between one-third and one-half normal, but with a heavy carryover of 80,000 to 100,000 bales. The carryover is in the hands of both farmers and speculators.

For the first time in history the farmers, who have made large profits in recent years on almonds, are speculating to maintain the price of almonds and are actually buying futures at higher prices than those asked for the almonds now on hand. Palma Girgentis are quoted at 310 - 320 lire (\$34.83 - \$35.26) and the farmers and small speculators are offering 845 to 855 lire (\$36.34 - \$36.76), and even 860 lire (\$36.98) for the new crop. These conversions are made at the exchange rate as quoted by the Federal Reserve Board for August 15, 1923.

Recent exports to the United States are few as the heavy stocks bought by American importers just before the new tariff went into effect have not been entirely used up. The trade expects renewed buying when these stocks are exhausted.

In spite of the efforts of speculators to uphold prices, it is believed that lower prices are probable since the carryover of fully half of a large crop will deteriorate if held too long, since a new crop is coming on and since there is need for ready cash.



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The first part of the paper is devoted to a general discussion of the problem. It is shown that the problem is equivalent to a problem in the theory of differential equations. The second part of the paper is devoted to a detailed study of the problem. It is shown that the problem is solvable if and only if certain conditions are satisfied. The third part of the paper is devoted to a study of the properties of the solutions of the problem. It is shown that the solutions are unique and that they depend continuously on the data of the problem.

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